

THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

DOCKET NO. 2006-107-W/S

IN RE:

Application of United Utility Companies,
Inc. for adjustment of rates and charges
and modifications to certain terms
and conditions for the provision of
water and sewer service.

**PRE-FILED REBUTTAL TESTIMONY
OF DR. JAMES EPTING**

15 Q. Dr. Epting, have you reviewed the Pre-Filed Testimony of Converse A. Chellis,
16 III?

17 A. Yes, I have.

18 Q. Is there anything contained in Mr. Chellis' testimony with which you disagree?

19 A. Yes, there are parts of Mr. Chellis' testimony with which I disagree.

20 Q. Please explain for the Commission the parts with which you disagree and why.

21 A. Mr. Chellis' testimony discussed the financial impact on United Utility
22 Companies, Inc. ("United Utility") as a result of United Utility's transfer of its Gem
23 Lakes sewer system in Aiken County to the City of Aiken, as well as its relinquishment
24 of a portion of its service area in Oconee County. I do not believe it is fair for North
25 Greenville University to be significantly and negatively impacted as a result of United
26 Utility's operations at locations completely unrelated to United Utility's operations in
27 Greenville County, particularly in light of United Utility's frequent and significant
28 increases during the past five (5) years.

29 Q. Have you reviewed the pre-filed testimony of Lena Sunardio?

1 **A. Yes, I have.**

2 **Q. Is there anything contained in Ms. Sunardio's testimony with which you disagree?**

3 **A. Yes, there are parts of Ms. Sunardio's testimony with which I disagree.**

4 **Q. Please explain for the Commission the parts with which you disagree and why.**

5 **A. On page 3, line 8, Ms. Sunardio states that "It has been over five years since [United**
6 **Utility] has applied for rate relief." In fact, United Utility last applied for rate relief on**
7 **August 8, 2001, and therefore it has been exactly five years since the last application.**
8 **However, this application was for a 52.82% increase and came shortly on the heels of an**
9 **11.24% increase earlier in 2002. These increases are dramatically above the standard**
10 **inflation-based increases which are between 3% and 5% per year. In addition, these**
11 **increases are on top of the frequent increase in the number of SFEs for which United**
12 **Utility has been charging North Greenville University. In the past three years, United**
13 **Utility has added an additional 24 SFEs the University's base SFE rate of 225, which is an**
14 **11% increase in the number of SFEs, and which has caused an increase in the University's**
15 **monthly service charge in an amount of \$1,157.76.**

16 **Considering the amount United Utility's income has increased since 2001 as a result**
17 **of the rates charged to North Greenville University alone, it is hard to understand how**
18 **United Utility is now in need of an additional 36.24% increase. United Utility's expenses**
19 **could not possibly have increased by 36.24%, and Mr. Chellis' reliance on the transfer of**
20 **the Aiken plant and the relinquishment of services in Oconee County does not justify such**
21 **a dramatic increase, either.**

22 **A. Does this conclude your rebuttal testimony?**

23 **Q. Yes, it does.**

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CERTIFICATE OF MAILING

IT IS HEREBY CERTIFIED that a copy of North Greenville University's **Pre-Filed Rebuttal Testimony of Dr. James Epting** was served upon all interested parties by placing a copy of the same in the United States Mail, postage prepaid, on the 7th day of **August, 2006**, addressed as follows:

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